

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6988

BILL NUMBER: HB 1449

NOTE PREPARED: Feb 9, 2015

BILL AMENDED:

SUBJECT: Opioid Treatment Programs in Community Mental Health Centers.

FIRST AUTHOR: Rep. Davisson

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: The bill allows a certified community mental health center to apply to operate an opioid treatment program (OTP) as an exception to the prohibition of new opioid treatment programs.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Summary-* Expansion of the number of opioid treatment programs through the community mental health centers would have a fiscally neutral effect on the DMHA.

New Opioid Treatment Programs: The bill would allow certified community mental health centers (CMHC) only to apply to the DMHA to operate a new opioid treatment program. The DMHA would have administrative and regulatory oversight responsibility for up to 22 additional treatment programs. DMHA reported that an expansion of this size would require an additional 2.5 full-time equivalents with a personal services cost of approximately \$157,960. This cost estimate does not include equipment, supplies, office space, or travel expenses associated with the additional FTEs. Additional administrative costs in this program are cost-neutral to DMHA since administrative costs associated with the OTPs are billed back to the programs on a per person basis. (Last year, the OTPs were billed \$26 per person for DMHA administration costs.) The ultimate fiscal impact of this provision would depend on the number of CMHCs that would choose to apply to operate an OTP, and how CMHC fees would be structured to recover the DMHA administrative costs. These costs could be transferred to other funding streams.

Medicaid: The fiscal impact on the Medicaid program is indeterminate. While the CMHCs are enrolled Medicaid providers, the extent to which they would bill the Medicaid program or rely on federal block grant funding is not known at this time.

Additional Information- There are currently 13 OTPs operating in the state. DMHA has reported that 8 of the providers take third-party payments; 3 providers are community mental health centers; and that other than the CMHCs, none of the treatment programs are enrolled as Medicaid providers. DMHA reported that the CMHCs do not bill Medicaid for OTP services, instead using federal substance abuse, prevention and treatment (SAPT) block grant monies for services that are provided to high-profile opioid drug abusers, such as pregnant women, IV drug abusers, and HIV-positive individuals. Medicaid does not currently reimburse for methadone used for opioid abuse treatment.

DMHA reported that 15,242 total patients were treated in the opioid treatment programs in CY 2013. About 69%, or 10,464 patients, were Indiana residents. Of the Indiana residents, 1,274 were served by state-funded programs through the CMHC.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Division of Mental Health and Addiction, Medicaid, FSSA.

Local Agencies Affected:

Information Sources: William Habig, Deputy Legislative Director, Family and Social Services Administration;

Fiscal Analyst: Kathy Norris, 317-234-1360; Chris Baker, 317-232-9851.